

## Special Revenue Funds

### Description

The City uses seven separate Special Revenue Funds to account for the activity of restricted revenues and designated expenditure uses for FY 2004/05. The individual funds are: Highway User Revenue, Transportation Privilege Tax (.20%), 1995 Preservation Privilege Tax (.20%), 2004 Preservation Privilege Tax (.15%), Public Safety Privilege Tax (.10%), Special Programs, and Grants. The applicable specific revenues, expenditures and fund balances of the individual Special Revenue Funds, along with each fund's purpose, are described below:

### Highway User Revenue Fund

#### Fund Purpose

This fund receives and expends the City's allocation of the Arizona Highway User Revenue tax and other transportation related revenues. The amount available to each City is allocated based on population, which is determined by the latest federal census. These monies must be used for street construction, reconstruction, maintenance, or transit. The State of Arizona requires the City to establish and maintain a Highway User Revenue Fund.

#### Highway User Revenue Fund Revenues and Transfers-In

**Highway User Revenue Tax ("gas tax")** is distributed by the State of Arizona based upon the population of each city and the county of origin for the sales of fuel. The State constitution requires that all highway user revenue be used solely for street, highway or transit purposes. The current gas tax is 18 cents per gallon. The cities share in 27.5 percent of State collected highway, user revenues, based half on population and half on the origin of the gas sale. The proposed FY 2004/05 budget of \$13.9 million represents an increase of \$0.4 million or 2.9% from the FY 2003/04 year-end estimate.

**Local Transportation Assistance Fund (LTAF) Revenue ("state lottery")** is distributed by the State of Arizona based upon population and City and town participation in the lottery. LTAF revenue sharing was capped at a total of \$20.5 million in 1989 by the Arizona state legislature, resulting in no growth in this segment of intergovernmental transportation revenue. The proposed FY 2004/05 budget of \$1.1 million is flat with the FY 2003/04 year-end estimate due to the restrictions noted.

**Transfers-In** from the Transportation Privilege Tax Fund and the General Fund support the Highway User Revenue Fund program expenditures. The proposed General Fund is budgeted to provide a \$3.7 million subsidy to support the programs of the Highway User Revenue Fund, which corresponds with the total resources needed to balance the budgeted operating and capital expenditures in the Highway User Revenue Fund.

#### Special Revenue Fund Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$13.9	\$13.9*
2003/04	\$13.5	\$13.5*
2002/03	\$13.1	\$13.4
2001/02	\$13.2	\$12.6

#### Special Revenue Fund Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$1.1	\$1.1*
2003/04	\$1.1	\$1.1*
2002/03	\$1.1	\$1.1
2001/02	\$1.2	\$1.2

### Highway User Revenue Fund Expenditures By Expenditure Type

The Highway User Revenue Fund expenditures are presented by five major expenditure categories: personal services, contractual services, commodities, capital outlay, and debt service plus transfers-out to other funds as noted below:

**Personal Services** budget of \$5.0 million represents 19.8% of the FY 2004/05 Highway User Revenue Fund Operating Budget of \$25.2 million. The adopted FY 2004/05 personal services budget is flat when compared to the FY 2003/04 adopted budget. The budget includes an additional 1.0 FTE as the result of a contract worker conversion.

Personal Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$5.0	\$5.0*
2003/04	\$5.0	\$5.0*
2002/03	\$5.0	\$4.9
2001/02	\$4.8	\$4.5

**Contractual Services** adopted budget of \$16.5 million represents 65.5% of the FY 2004/05 Highway User Revenue Fund Operating Budget of \$25.2 million. The FY 2004/05 budget of \$16.5 million is \$1.1 million or 7.1% more than the FY 2003/04 adopted budget. The majority of this increase is due to the increase in transit costs and a larger street maintenance program for FY 2004/05.

Contractual Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$16.5	\$16.5*
2003/04	\$15.4	\$15.4*
2002/03	\$15.8	\$16.2
2001/02	\$15.6	\$15.1

**Commodities** adopted budget of \$0.5 million represents 2.0% of the FY 2004/05 Highway User Revenue Fund Operating Budget of \$25.2 million. The FY 2004/05 budget of \$0.5 million represents no increase from FY 2003/04 commodities budget. The lack of need for an increase is due to the continuing effort by staff toward zero-based program budgeting, whereby line-item expenditure budgets are carefully evaluated and justified before being included in the budget.

Commodities Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.5	\$0.5*
2003/04	\$0.5	\$0.5*
2002/03	\$0.6	\$0.8
2001/02	\$0.8	\$0.8

See glossary for  
Expenditure Type  
definitions.

## SPECIAL REVENUE FUNDS

## Budget by Fund

**Capital Outlay** adopted budget for FY 2004/05 is zero. As a result of the on-going zero-based program budget approach, no capital outlay was approved for inclusion in the budget.

Capital Outlay Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	-	-
2003/04	-	-
2002/03	-	\$0.1
2001/02	\$0.2	\$0.1

**Debt Service** adopted budget of approximately \$3.1 million is equal to the FY 2003/04 budget and represents 12.3% of the Highway User Revenue Fund Operating Budget. The debt consists of payment for the Highway User Revenue Bonds along with the applicable annual fiscal agent fees. The Highway User Revenue Bonds are slated to be fully repaid in FY 2006/07.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$3.1	\$3.1*
2003/04	\$3.1	\$3.1*
2002/03	\$3.1	\$3.1
2001/02	\$3.1	\$3.1

**Transfers-Out** to the capital project fund of approximately \$0.1 million is to cover the cost of replacing computer/telephone equipment.

### Highway User Revenue Fund Balance

The FY 2004/05 Highway User Revenue Fund ending balance is projected to be zero. The fund does not maintain a fund balance due to its reliance on the General and Transportation Privilege Tax Funds to make up the difference between revenue and expenditures each year.

*Transportation Privilege Tax Fund (.20%)***Fund Purpose**

In 1989, voters approved a Transportation Privilege (Sales) Tax (.20%), which is dedicated to funding transportation improvements and operations. This fund accounts for the activity related to the Transportation Privilege tax. Revenues are transferred to the Highway User Revenue Fund (up to 40.0% of the sales tax revenues) and to Capital Projects to fund transportation related improvements.

**Transportation Privilege Tax Fund (.20%) Revenues**

**Transportation Privilege (Sales) Tax (.20%)** of \$16.2 million represent 100.0% of this fund's budgeted operating revenue. After nearly a decade of double-digit revenue growth, the FY 2004/05 forecasts a modest 2.2% increase over the FY 2003/04 year-end estimate.

Please note there is a difference between the transportation and preservation privilege tax revenue amounts, which is attributable to differences in the taxing provisions for each of the revenues.

**Interest Earnings** are no longer forecast in this fund due to a change in accounting procedure. At the end of the month, a journal entry is prepared transferring all revenue collected in this fund to either the Highway User Revenue Fund (capped at 40.0%) or the Transportation Capital Improvement Fund.

**Local Privilege Taxes Revenue**  
**Adopted Budget to Actual/Estimate\***  
**(in millions)**

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$16.2	\$16.2*
2003/04	\$15.5	\$15.8*
2002/03	\$16.4	\$15.3
2001/02	\$17.0	\$15.6

**Interest Earnings**  
**Adopted Budget to Actual/Estimate\***  
**(in millions)**

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	-	-
2003/04	\$0.5	-
2002/03	\$0.5	\$0.2
2001/02	\$0.6	\$0.2

**Transportation Privilege Tax Fund (.20%)**  
**Expenditures By Expenditure Type**

There are no direct operating expenditures in the Transportation Privilege Tax Fund (.20%), only transfers-out to the Highway User Revenue Fund and Capital Projects Fund.

**Transfers-Out** in FY 2004/05 total \$16.2 million comprised of \$6.5 million to the Highway User Revenue Fund to cover the cost of transportation related operating costs, and \$9.7 million to the capital fund to cover the cost of transportation related capital improvements. The \$6.5 million transfer-out to the Highway User Revenue Fund represents a policy change adopted by City Council in FY 2003/04 allowing up to 40.0% of the annual Transportation Privilege (Sales) Tax (.20%) to be used to cover the cost of transportation system improvement operating costs.

**Transportation Privilege Tax Fund (.20%) Balance**

The FY 2004/05 Transportation Privilege Tax Fund (.20%) ending fund balance is projected to be zero since at year-end any remaining funds are transferred to the Capital Project Fund or Highway User Revenue Fund.

*1995 Preservation Privilege Tax Fund (.20%)***Fund Purpose**

In 1995, voters approved a 1995 Preservation Privilege (Sales) Tax (.20%), which is dedicated to the purchase of 36,400 acres of land within the McDowell Sonoran Preserve. Revenue collections and contractual debt associated with purchased land are accounted for in this fund. A transfer is made to the Debt Service Fund to pay debt service payments associated with bonds issued for purchases.

**1995 Preservation Privilege Tax Fund (.20%) Revenues**

**1995 Preservation Privilege (Sales) Tax (.20%)** of \$16.8 million represents 97.0% of this fund's operating revenue. After nearly a decade of double-digit revenue growth, the FY 2004/05 forecast a modest 2.2% increase.

Please note there is a difference between the transportation and preservation privilege revenue tax amounts, which is attributable to differences in the taxing provisions for each of the revenues.

**Interest Earnings** are expected to remain flat, with FY 2003/04 year-end estimate of \$0.5 million. This revenue is a function of the relationship between the available cash balance and interest rate. The City earns interest on idle funds through various investments in accordance with Arizona Revised Statutes and City Ordinance. The City's investment policy stresses safety above yield.

Local Privilege Taxes Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$16.8	\$16.8*
2003/04	\$16.1	\$16.4*
2002/03	\$16.6	\$15.6
2001/02	\$17.4	\$15.8

Interest Earnings Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.5	\$0.5*
2003/04	\$0.5	\$0.5*
2002/03	\$0.5	\$0.7
2001/02	-	\$0.8

## SPECIAL REVENUE FUNDS

## Budget by Fund

### 1995 Preservation Privilege Tax Fund (.20%) Expenditures By Expenditure Type

There are no direct operating expenditures in the 1995 Preservation Privilege Tax Fund (.20%); however, there are debt service transactions and transfers-out.

**Debt Service** budget of slightly less than \$1.0 million is \$0.1 million more than the FY 2003/04 adopted budget and consists of contractual debt for the McDowell Sonoran Preserve.

Debt Service Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$1.0	\$1.0*
2003/04	\$0.9	\$1.0*
2002/03	\$0.9	\$1.0
2001/02	\$0.9	\$0.9

**Transfers-Out** totaling \$20.0 million to the Debt Service Fund is to pay debt service on Preservation Bonds. The increase in the transfer-out of \$3.6 million from the FY 2003/04 adopted budget is directly attributable to the scheduled repayment of debt.

### Revenues Over/(Under) Expenditures

The excess of total expenditures and transfers out over total revenues and transfers in FY's 2004/05 through 2006/07 is the result of planned uses of beginning fund balance.

### 1995 Preservation Privilege Tax Fund (.20%) Balance

The 1995 Preservation Privilege Tax Fund (.20%) is used solely for the acquisition of property within the preserve and payment of debt service on Preserve General Obligation Bonds, Preserve Authority Bonds, and contractual debt. The projected FY 2004/05 ending fund balance equals approximately \$15.4 million, which represents a \$3.6 million decrease from the FY 2003/04 year-end estimate. The fund balance, with annual revenue contributions, is expected to be sufficient to pay for existing debt service. All debt authorized by voters for this fund has been issued.

*2004 Preservation Privilege Tax Fund (.15%)***Fund Purpose**

This new fund is a result of the May 18, 2004 voter approved ballot initiative to increase the City's sales tax rate. The increase will dedicate an additional .15% of the City's sales tax rate to completing Scottsdale's McDowell Sonoran Preservation efforts. Revenues received by this fund will be used for debt service payments related to preserve acquisition and construction of essential preserve related necessities such as proposed trailheads.

**2004 Preservation Privilege Tax Fund (.15%) Revenues**

**2004 Preservation Privilege (Sales) Tax (.15%)** is expected to equal approximately \$11.7 million. Revenue collections will begin July 1, 2004 with remittance received in August 2004; therefore, the revenue forecast for this fund is calculated based on 11 months of cash receipts.

**2004 Preservation Privilege Tax Fund (.15%) Expenditures By Expenditure Type**

There are no direct operating expenditures budgeted in the 2004 Preservation Privilege Tax Fund (.15%) for FY 2004/05. The May 18, 2004 ballot initiative to increase the City's privilege (sales) tax from 1.40 percent to 1.65 percent (Public Safety .10% and Preserve .15%) was approved; therefore, the (.15%) additional preserve sales tax revenue will be used for additional land purchases, trails, and other improvements.

**2004 Preservation Privilege Tax Fund (.15%) Balance**

The 2004 Preservation Privilege Tax Fund (.15%) will be used solely for the acquisition of and improvements to property (i.e., trailheads, trails) within the preserve and payment of debt service on Preserve General Obligation Bonds, Preserve Authority Bonds, and contractual debt. The projected FY 2004/05 ending fund balance is approximately \$11.7 million. Any revenues collected and not transferred in FY 2004/05 will remain in the 2004 Preservation Privilege Tax Fund (.15%) balance and will be used exclusively for future preservation needs.

**Local Privilege Taxes Revenue  
Adopted Budget to Actual/Estimate\*  
(in millions)**

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$11.7	\$11.7*
2003/04	-	-
2002/03	-	-
2001/02	-	-

- This Special Revenue fund was included in the proposed budget as a contingent item pending a proposed 0.15% privilege sales tax increase subject to ballot approval by Scottsdale citizens. Voters approved the proposed tax increase on May 18, 2004, subsequent to the adoption of the tentative budget. Over the coming months city staff will be negotiating the purchase of additional McDowell Sonoran Preserve land with the Arizona State Land Department. Land purchase expenditures and associated debt issuance plans will be prepared and matched against these dedicated special revenues in future budget publications.

*Public Safety Privilege Tax Fund (.10%)***Fund Purpose**

This new fund is a result of the May 18, 2004 voter approved ballot initiative to increase the City's sales tax rate, dedicating .10% to public safety. Revenues received by this fund will be used to enhance public services outlined in the public safety strategic plan such as traffic enforcement, driving under the influence, computer crimes, District 1, vice enforcement, photo radar enforcement and a special patrol for City parks and the McDowell Sonoran Preserve.

**Public Safety Privilege Tax Fund (.10%) Revenues**

**Public Safety Privilege (Sales) Tax (.10%)** is expected to equal approximately \$7.9 million. Revenue collections will begin July 1, 2004 with remittance received in August 2004; therefore, the revenue forecast for this fund is calculated based on 11 months of cash receipts.

**Public Safety Privilege Tax Fund (.10%) Expenditures By Expenditure Type**

There are no direct operating expenditures within the Public Safety Privilege Tax Fund (.10%); however there are transfers-out to the General Fund to cover the costs of the enhanced public safety service expenditures.

**Transfers-Out** to the General Fund is approximately \$4.2 million to cover the costs of 44.0 FTE positions, including 32.0 Police Officers, 5.0 Police Sergeants, 1.0 Police Lieutenant, 2.0 Code Inspectors, 1.0 Police Support Specialist, 1.0 Criminalist, 1.0 Court Service Representative, and 1.0 Municipal Security Technician. The funding will also cover the costs of three new intersection detection systems to increase red light and fixed speed photo enforcement. Other public safety services that will be funded from the additional public safety privilege taxes include hiring additional firefighters, code enforcement officers, and related public safety capital equipment and facilities. Beyond next fiscal year, the additional public safety privilege taxes would be used to address other public safety strategic plan items such as additional bike units, traffic patrol, and other capital needs.

**Public Safety Privilege Tax Fund (.10%) Balance**

The projected FY 2004/05 ending fund balance is \$3.7 million. Any revenues collected and not transferred in FY 2004/05 will remain in the Public Safety Privilege Tax Fund (.10%) balance and will be used exclusively for future public safety needs.

**Local Privilege Taxes Revenue  
Adopted Budget to Actual/Estimate\*  
(in millions)**

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$7.9	\$7.9*
2003/04	-	-
2002/03	-	-
2001/02	-	-

- This Special Revenue fund was included in the proposed budget as a contingent item pending a proposed 0.10% privilege sales tax increase subject to ballot approval by Scottsdale citizens. Voters approved the proposed tax increase on May 18, 2004, subsequent to the adoption of the tentative budget. Only the first phase (year one) of enhanced public safety expenditures were included in the FY04/05 budget. Over the coming months city staff will be refining the multi-year public safety strategic expenditures plans and match them against these dedicated special revenues in future budget publications.



*Special Programs Fund***Fund Purpose**

This fund is used to account for dedicated funding sources and donations earmarked for specific purposes. All revenue not expended in the current fiscal year is carried over to the next fiscal year to continue funding the intended purpose.

**Special Programs Fund Revenues**

**Miscellaneous Court Revenue** originates from three sources: Court Enhancement, Judicial Collections Enhancement Fund (JCEF) and Fill the Gap (FTG). The Court Enhancement is established by Scottsdale City Ordinance 2570 section 9-7.2 and provides funding to enhance the technological, operational, and security facilities of the Court. JCEF and FTG were established by Arizona Revised Statutes (ARS) 12-116 (A) (B) and Senate Bill (SB) 1013, which provide funding for maintaining and enhancing the Court's ability to collect and manage monies. The FY 2004/05 budget for Miscellaneous Court Revenue equals \$0.6 million.

**Miscellaneous Downtown Cultural/Arts Revenue** is generated from donations and contributions as well as revenue from the Scottsdale Artist School lease agreement. The FY 2004/05 budget for Miscellaneous Downtown/Cultural Revenue equals \$0.3 million. This program was previously housed in Community Services Special Program.

**Miscellaneous Police Revenue** includes money from the following five sources: (1) Racketeering Influenced Corrupt Organization (RICO) funds, which is only to be used for law enforcement purposes; (2) Forensic Services Intergovernmental Agreements (IGA) with surrounding communities for full cost recovery of crime laboratory services provided; (3) donations for the Mounted Unit and Family Advocacy Center; (4) drug conviction assessments, which may only be used for crime laboratory analysis purposes; and (5) funds for school resource education supplies. The budget for this revenue source is \$0.4 million.

**Miscellaneous Court Revenue**  
 Adopted Budget to Actual/Estimate\*  
 (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.6	\$0.6*
2003/04	\$0.6	\$0.6*
2002/03	\$0.6	\$0.6
2001/02	\$0.5	\$0.5

**Misc. Downtown Cultural/Arts Revenue**  
 Adopted Budget to Actual/Estimate\*  
 (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.3	\$0.3*
2003/04	-	-
2002/03	-	-
2001/02	-	-

**Miscellaneous Police Revenue**  
 Adopted Budget to Actual/Estimate\*  
 (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.4	\$0.4*
2003/04	\$0.3	\$0.3*
2002/03	\$0.3	\$0.3
2001/02	\$0.4	\$0.5

**Miscellaneous Community Services Revenue** includes donations and contributions that are to be spent for the specific purpose indicated by the donors. Specific purposes include enhancing parks, libraries and human services, providing memorials, covering the expenses associated with special events, providing funds to community support agencies (Scottsdale Cares), and maintaining and operating the train, carousel, and park facilities at the McCormick-Stillman Railroad Park. This revenue also includes McCormick-Stillman Railroad Park revenue generated from the operations of the train and carousel owned by the Scottsdale Railroad and Mechanical Society. The budget for this revenue source is approximately \$1.4 million in FY 2004/05. Current revenues and the planned use of prior year carryover revenues will fund these services.

**Miscellaneous Human Resource Services Revenue** includes corporate sponsorship obtained through community outreach efforts in support of cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration. In FY 2004/05, it is estimated that approximately \$7,200 will be deposited into this fund.

**Miscellaneous Citizen and Neighborhood Resources Revenue** includes 50.0% of the total amount of fines collected for code enforcement violations. The fines pay for any abatement procedures necessary to clean up a property. In FY 2004/05, it is estimated the fines deposited into this fund will equal approximately \$19,700.

Miscellaneous Community Services Rev. Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$1.4	\$1.4*
2003/04	\$1.6	\$1.6*
2002/03	\$1.5	\$2.0
2001/02	\$2.2	\$1.5

Miscellaneous Human Resources Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$7,200	\$7,200*
2003/04	-	-
2002/03	-	-
2001/02	-	-

Miscellaneous Citizen and Neighborhood Resources Revenue Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$19,700	\$19,700*
2003/04	\$68,000	\$68,000*
2002/03	-	\$903
2001/02	-	-

## SPECIAL REVENUE FUNDS

## Budget by Fund

### Miscellaneous Planning and Development Services

**Revenue** originates from the Green Building Program fees. The Green Building Program is a whole-systems approach utilizing design and building techniques to minimize environmental impact and to reduce the energy consumption of a building while contributing to the health of its occupants. The program fees are used to fund promotion, education, and public outreach to pro-actively campaign for environmentally responsible buildings in the City. The budget for this revenue source of \$20,600 is a nominal \$600 increase over the FY 2003/04 year-end estimate.

### Misc. Planning & Develop. Svs Revenue Adopted Budget to Actual/Estimate\*

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$20,600	\$20,600*
2003/04	\$20,000	\$20,000*
2002/03	\$42,500	\$20,475
2001/02	\$47,500	-

**Transfers-In** from the General Fund are budgeted at \$100,000 for the Affordable Housing program in Citizen and Neighborhood Resources, which is used as a local grant match to leverage federal and state housing grant funds, and \$10,000 for the preservation and maintenance of properties on Scottsdale's Historic Register.

### Special Programs Fund Expenditures By Department

The use of funds in the Special Programs Fund includes departmental operating expenditures and transfers-out as noted below:

**Courts** budgeted expenditures in FY 2004/05 are approximately \$0.3 million, which is equivalent to the FY 2003/04 adopted budget. Expenditures will be used to enhance the technological, operational, and security facilities of the Court as well as maintain and enhance the Court's ability to collect and manage monies.

### Courts Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.3	\$0.3*
2003/04	\$0.3	\$0.3*
2002/03	\$0.1	\$0.1*
2001/02	\$0.1	\$0.1

**Downtown Cultural/Arts** budgeted expenditures in FY 2004/05 are \$0.3 million for items such as supporting the arts and special events. This program was previously housed in Community Services Special Program.

### Downtown Cultural/Arts Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.3	\$0.3*
2003/04	-	-
2002/03	-	-
2001/02	-	-

## SPECIAL REVENUE FUNDS

## Budget by Fund

**Police** Special Programs budgeted expenditures in FY 2004/05 total \$374,785. Racketeering Influenced Corrupt Organization (RICO) Funds of \$221,130 will be used to supplement narcotics investigations operating expenses and to purchase 50 new tasers to provide officers with a “less lethal” option on suicidal/violent subjects; funding from intergovernmental agreements in the amount of \$116,155 will be used to purchase expendable supplies in support of police crime laboratory services; and \$27,500 from donations is budgeted to purchase expendable supplies in support of the Mounted Unit, Family Advocacy Center, and school resource education. In addition, \$10,000 has been budgeted in general police donations for several areas of the department including Teen Academy supplies, canine purchases, community meetings, and school presentations.

**Community Services** expenditures are budgeted at approximately \$2.4 million for FY 2004/05. Expenditures include the design of a model railroad building at McCormick-Stillman Railroad Park to be built in FY 2005/06.

**Human Resource Services** expenditures are budgeted at approximately \$7,200 for FY 2004/05. The funds received from corporate sponsorship obtained through community outreach efforts will support cultural programming, including the Cross-Cultural Communication Series and the Hispanic Heritage Community celebration.

**Citizen & Neighborhood Resources** budget totals \$19,700. The funds received from code enforcement violation fines will be used to pay for any abatement procedures necessary to clean up properties.

Police Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.4	\$0.4*
2003/04	\$0.3	\$0.5*
2002/03	\$0.3	\$0.3
2001/02	\$0.4	\$0.2

Community Services Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$2.4	\$2.4*
2003/04	\$2.4	\$2.4*
2002/03	\$2.0	\$1.2
2001/02	\$2.2	\$1.5

Human Resources Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$7,200	\$7,200*
2003/04	-	-
2002/03	-	-
2001/02	-	-

Citizen and Neighborhood Resources Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$19,700	\$19,700*
2003/04	\$68,000	\$68,000*
2002/03	-	\$903
2001/02	-	-

## SPECIAL REVENUE FUNDS

## Budget by Fund

**Planning and Development** budget of \$20,600 represents a nominal increase of \$600 or 3.0% from the FY 2003/04 adopted budget. The funds will be spent on advertising and promoting through contractual services the City's Green Building Program.

Planning and Development Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$20,600	\$20,600*
2003/04	\$20,000	\$20,000*
2002/03	\$42,500	\$14,066
2001/02	\$47,500	\$10,000

**Preservation Rehabilitation** budget totals \$10,000 for FY 2004/05. A Historic Preservation Rehabilitation Fund of \$10,000 a year for life of the sales tax incentive to the Hotel Valley Ho was established and paid for by the owner of the Hotel Valley Ho. The funds are to be used by the City to assist in the preservation and maintenance of properties on Scottsdale's Historic Register.

Preserve Rehabilitation Adopted Budget to Actual/Estimate*		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$10,000	\$10,000*
2003/04	-	-
2002/03	-	-
2001/02	-	-

**Transfers-Out** total \$0.6 million, which includes \$0.1 million to the Capital Improvement Fund for RICO and \$0.5 million to the Capital Improvement Fund for Court related capital projects.

### Revenues Over/(Under) Expenditures

The \$1.2 million of expenditures and transfers-out over the total revenues and transfers-in is attributable to planned uses of beginning fund balance by the Community Services Special Program.

### Special Programs Fund Balance

Special Programs Fund balance of \$1.8 million represents cash received and restricted by donors or contributors for specific uses. All balances not expended in the current fiscal year are carried over to the next fiscal year to continue funding the intended purpose. The Special Programs Fund balance is largely a matter of timing differences between when funds are received and ultimately spent for the intended purpose.

## Grant Fund

## Fund Purpose

This fund receives and expends the City's federal, state, and local grant revenues. The amount of grants received is generally based upon application to granting agencies by the City and upon availability of funding by the grantors. Grant revenues may be used only for the stated purpose in the approved grant agreement and are subject to grantor expenditure guidelines and audits. The City will only expend grant funds that have been appropriately awarded by the granting agency and accepted by City Council in a public meeting.

The total proposed FY 2004/05 grant revenue budget is \$20.7 million and includes \$13.4 million for contingent grant revenue that may become available during the fiscal year. The contingent grant revenue is included to create budgetary capacity for City Council to accept new grants and still comply with State of Arizona budget expenditure limits set with the tentative budget adoption. The appropriations associated with the contingent grant revenue are not available for expenditures unless a new grant is awarded and accepted by City Council. The City aggressively seeks grant funding to leverage City funds to address priority program and service needs. The major areas of the grant revenue budget are noted below:

## Grant Fund Revenues by Grant Area

**Transportation Grants** are often available for transit purposes, such as bus purchases and shelters, and to promote alternate transportation modes, such as construction of bike lanes and paths. In FY 2004/05 there are presently no operating grant revenues budgeted. All Transportation Grants at \$10.1 million in FY 2004/05 are capital-related, which are included in the Capital Improvement Plan.

**Community Development Block Grants (CDBG) and Section 8 Grants** are awarded annually by the U.S. Department of Housing and Urban Development (HUD) upon application for funding by the City. These grant revenues may only be used for those projects specifically approved in the grant application and are subject to agency expenditure guidelines and audits. For FY 2004/05, the CDBG and Section 8 budgets are \$1.5 million and \$5.3 million respectively, for approximately \$6.8 million.

**Home Grants** are received from the Maricopa County Home Consortium and are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing. The FY 2004/05 operating grant revenue is budgeted at approximately \$0.5 million.

### Transportation Grants Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	-	-
2003/04	\$0.5	\$0.5*
2002/03	-	\$0.8
2001/02	\$2.9	\$4.0

### CDBG and Section 8 Grants Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$6.8	\$6.8*
2003/04	\$6.7	\$6.7*
2002/03	\$5.4	\$5.7
2001/02	\$5.1	\$5.5

### Home Grants Adopted Budget to Actual/Estimate\* (in millions)

Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.5	\$0.5*
2003/04	\$0.7	\$0.7*
2002/03	\$0.3	-
2001/02	\$0.3	\$0.6

## SPECIAL REVENUE FUNDS

## Budget by Fund

**Miscellaneous Federal & State Grants** total \$13.4 million for FY 2004/05, which includes grants for law enforcement, library projects, aviation, and Homeland Security. The majority of the increase is due to the increase in future grants should they become available during the fiscal year.

Miscellaneous Federal & State Grants Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$13.4	\$13.4*
2003/04	\$5.1	\$5.1*
2002/03	\$4.7	\$1.3
2001/02	\$8.3	\$1.9

### Grant Fund Expenditures By Grant

Information on Grant Fund expenditures is noted below:

**Transportation Grants** in FY 2004/05 have no operating expenditures budgeted. All transportation grants at \$10.1 million in FY 2004/05 are capital-related, which are included in the Capital Improvement Plan.

Transportation Grants Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	-	-
2003/04	\$0.5	\$0.5*
2002/03	-	\$0.8
2001/02	\$2.9	\$4.0

**Community Development Block Grants (CDBG) and Section 8 Grants** budgeted expenditures in FY 2004/05 of approximately \$6.8 million represents an increase of \$0.1 million or 1.5% from the FY 2003/04 adopted budget. The budgeted expenditures include costs for the following two new positions in FY 2004/05: (1) Grant Program Specialist to provide assistance to an increased number of low-moderate income households and decrease the length of time on the City Housing Rehabilitation waiting list, and (2) Housing Coordinator to fulfill the added responsibilities of the Scottsdale Housing Agency, implement the Section 8 program, and manage the First Time Homebuyer Program.

CDBG and Section 8 Grants Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$6.8	\$6.8*
2003/04	\$6.7	\$6.7*
2002/03	\$5.4	\$5.9
2001/02	\$5.1	\$5.2

## SPECIAL REVENUE FUNDS

## Budget by Fund

**Home Grants** budgeted expenditures of \$0.5 million in FY 2004/05 are to be used to provide affordable housing, expand the capacity of non-profit housing providers, strengthen the ability of local governments to provide housing, and leverage private-sector participation in housing.

Home Grants Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$0.5	\$0.5*
2003/04	\$0.7	\$0.7*
2002/03	\$0.3	-
2001/02	\$0.3	\$0.6

**Miscellaneous Federal & State Grants** expenditure budget in FY 2004/05 equals approximately \$13.2 million which includes a provision for future grants that may become available during the year. The funding will be used in the contractual services, commodities and capital outlay expenditure categories to provide a wide variety of law enforcement, library, aviation, Homeland Security, and social services.

Miscellaneous Federal & State Grants Adopted Budget to Actual/Estimate* (in millions)		
Fiscal Year	Adopted Budget	Actual/Estimate*
2004/05	\$13.2	\$13.2*
2003/04	\$5.1	\$5.1*
2002/03	\$4.7	\$1.3
2001/02	\$8.3	\$1.9

### Grant Fund Balance

The Grant Fund balance can fluctuate from year to year due to the nature of the specific grants that have been awarded. Most of the City's grant awards are "expenditure driven" reimbursement grants, meaning the City is reimbursed after the grant-related expenditure is made for the intended purpose. On a less frequent basis, the City is awarded "endowment" type grants, which means the City actually receives the grant funding prior to making an expenditure.